

Tampa MSA Investment Opportunity

- Superior value add opportunity in one of Tampa's most desirable neighborhoods
- 144 units built in 1986 will allow for institutional management and operational efficiencies
- Projected Net to Investor: 16-18% IRR and 9% Cash-on-Cash; 8% Preferred Dividend
- Low leverage for risk reduction: Agency loan assumption with 4 years of IO remaining
- Located in growing population center with high cost of construction
- Well designed floorplans, new pool patio, renovated fitness center and in-unit laundry



Colin P. O'Keeffe
Principal
colin@tidegatecapital.com

Guy C. Holbrook IV, CFA
Principal
guy@tidegatecapital.com

C. Warren Skillman
Partner
warren@tidegatecapital.com

1. Tampa MSA: Wesley Chapel



Overview

Tampa has become one of the premier cities in the country thanks to a growing population, excellent business environment, temperate climate and positive economic divers.

The newly developed Westshore Business District has over 96,000 jobs alone. When you include Downtown Tampa, the International Airport, the Port of Tampa Bay, the increasing hospital presence and the Innovation District it is clear the demand for labor will continue to grow exponentially as corporations proceed to shift HQ's to Tampa and open new major regional offices in the area.

Job Market Drives Demand

The Tampa-St. Petersburg metro is a white-collar job driven market that is handling the COVID-19 environment extremely well, with a market-wide occupancy rate of 95.4% as of July 2020 (AxioMetrics).

Average Household Income in the Wesley Chapel / Lutz area is almost \$72,000 per year vs US average of just over \$53,000 per year

Median Rent in Wesley Chapel as of October 2020 was \$1,350, a 15% increase from 2019

1. Tampa MSA: Wesley Chapel

Premier Location North of Tampa in the Wesley Chapel - Lutz Area

- The Wesley Chapel submarket north of Tampa is a premier location, due to suburban feel upscale residential neighborhoods, access to major employment drivers, and a large number of retail storefronts.
- Moncler Willow Lake is located approximately 15 miles north of the University of South Florida and 22 miles from Downtown Tampa and is an easy commute for the many white and grey collar workers in the region



Moncler Willow Lake is a 144–unit repositioning and value-add offering situated in the dynamic Tampa - St. Petersburg MSA. This concrete-block rental community is well positioned as part of the metro’s premier, high-growth submarket (North Tampa) with excellent visibility and easy access to top demand drivers via Interstate-75 (<1-mi away), including 12 hospitals within 25 minutes and the new Tampa Premium Outlets are located right around the corner on Wesley Chapel Blvd.

Built in 1986, Moncler Willow Lake boasts all two-story buildings in a tropical, serene setting. The asset presents an exceptionally favorable value-add opportunity, as all units at the property are available for varying levels of upgrades and have been modeled in the pro forma to reflect a conservative renovation schedule. They currently are in move-in condition with dated cabinets and counter tops. Adding Luxury Vinyl Tile or Plank (LVT/P) flooring along with new appliances and cabinetry will bring the property to the next level.

Upgraded and newer properties nearby are generating rent premiums of 20% per month over Willow Lake, providing ample room to the top of the market.

2. Opportunity: Moncler Willow Lake

Total 144 Units
Strong Income Mix of:
92 One Bedroom
52 Two Bedroom Two bath

Multifamily demand has remained high in Pasco County due to significant population growth. This property will benefit from improved management and operations

***** CoStar Indicates only 73 units are coming on line in the next 2 years / 8 quarters**

Year one cash-flowing property
Unit renovations result in a 20% ROI

Net Projected Annualized IRR: 16-18% *

Net Average Cash-on-Cash: 9.0% *

Exit Strategy: The objective is disposition after completing cap-ex, unit and grounds enhancements, and improving management and operations during the target holding period.

Institutional investors have come to view the positive fundamentals of the Tampa multifamily market and its consistent yields as a solid investment and will be the target audience upon sale.

* Assumptions: Net to Investor After Fees and Expenses. 75/250 Investor/Sponsor Promote Split. Preferred Dividend is Cumulative



2. Opportunity: Moncler Willow Lake

Total Project Cost: Approximately \$19,898,000

Inclusive of:

**\$18,100,000 Acquisition Price
\$1,210,000 Capital Improvements
\$7,900,000 Investor Equity**

**Acquisition Price at \$165 psf is well below
Replacement Cost**

**Replacement Construction Cost at \$220 psf
\$24,090,00 Exclusive of Land and Soft Costs**

**Agency Loan Assumption Ensures Low
Leverage at 67% Loan to Acquisition:**

Loan Amount: \$12,060,000

Interest Rate: 4.99%

30 Year Amortization

4.2 Years Remaining Interest Only

10 Year Remaining in Term

Time Horizon:

LOI Submitted: September 16

Best and Final Participation: September 25

Final Negotiations: September 29-30

Signed Purchase and Sale: Mid October

Projected Close Date: January 2021



2. Opportunity: Moncler Willow Lake

Welcoming leasing office, new exercise room, newly renovated pool and patio, two tennis courts and in-unit laundry all reflect quality Class A property amenities.



Moncler Willow Lake enjoys limited competition from similar vintage rental communities in the immediate vicinity. Any new product that comes to market will require baseline rents that are significantly above Willow Lake. This presents an excellent opportunity for Tidegate Capital to acquire the asset well below replacement cost with robust upside revenue potential.

2. Opportunity: Moncler Willow Lake

Current Unit Amenities

- Air Conditioning
- Washer Dryer
- Dishwasher
- Cable Ready
- Walk-In Closets
- Ceiling Fans
- Cathedral Ceilings on Second Floor

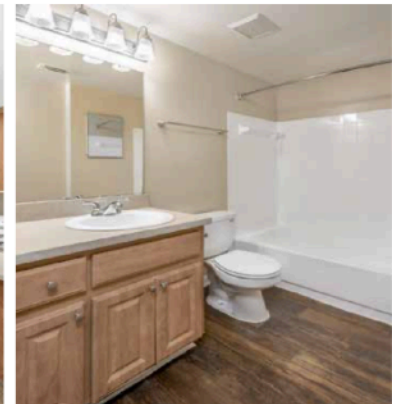
Current Property Amenities

- Business Center
- Fitness Center
- New Patio
- Updated Pool
- Tennis Courts
- Grill / Picnic Area
- Racquetball Court
- Valet Trash Service

Improvements to be Made

- Unit Upgrades
- Pet Exercise Area
- Fire Pit
- Landscaping
- Curb Appeal
- Signage
- Exterior Painting
- Lighting Upgrades

Typical "Classic" Unit at Moncler Willow Lake



- While the interiors are in move-in condition, up to 90 units will be renovated and upgraded to reflect market standards, leaving room for the next operator to add value
- Black or SS appliances, tile backsplash, LVT/P throughout and new or refaced cabinets will allow for significant rent increases

2. Opportunity: Moncler Willow Lake

On-site professional management and a rigorous oversight process will allow the property to maximize its revenue and return potential.



Unit improvements have been selectively chosen based on current condition and rent rolls to encompass close to 90 units (over 60%) and will include: New cabinets, countertops, fixtures, flooring, along with energy and water saving devices to be installed

2. Opportunity: Moncler Willow Lake

Reposition Opportunity:

- The property is well kept with minimal deferred maintenance
- Exterior work will include: improving landscaping, partial re-painting and enhanced signage
- There are two tennis courts and a racquetball court located on-site. Options include conversion of one or two to pickle ball courts and/or outdoor exercise area
- Situated on the outskirts of the Tampa Bay metro area, Wesley Chapel is a family-friendly city with suburban streets and big-city flair and is known for its abundance of retailers, outlet malls, and shopping centers.



3. Market Comps

Assumptions:

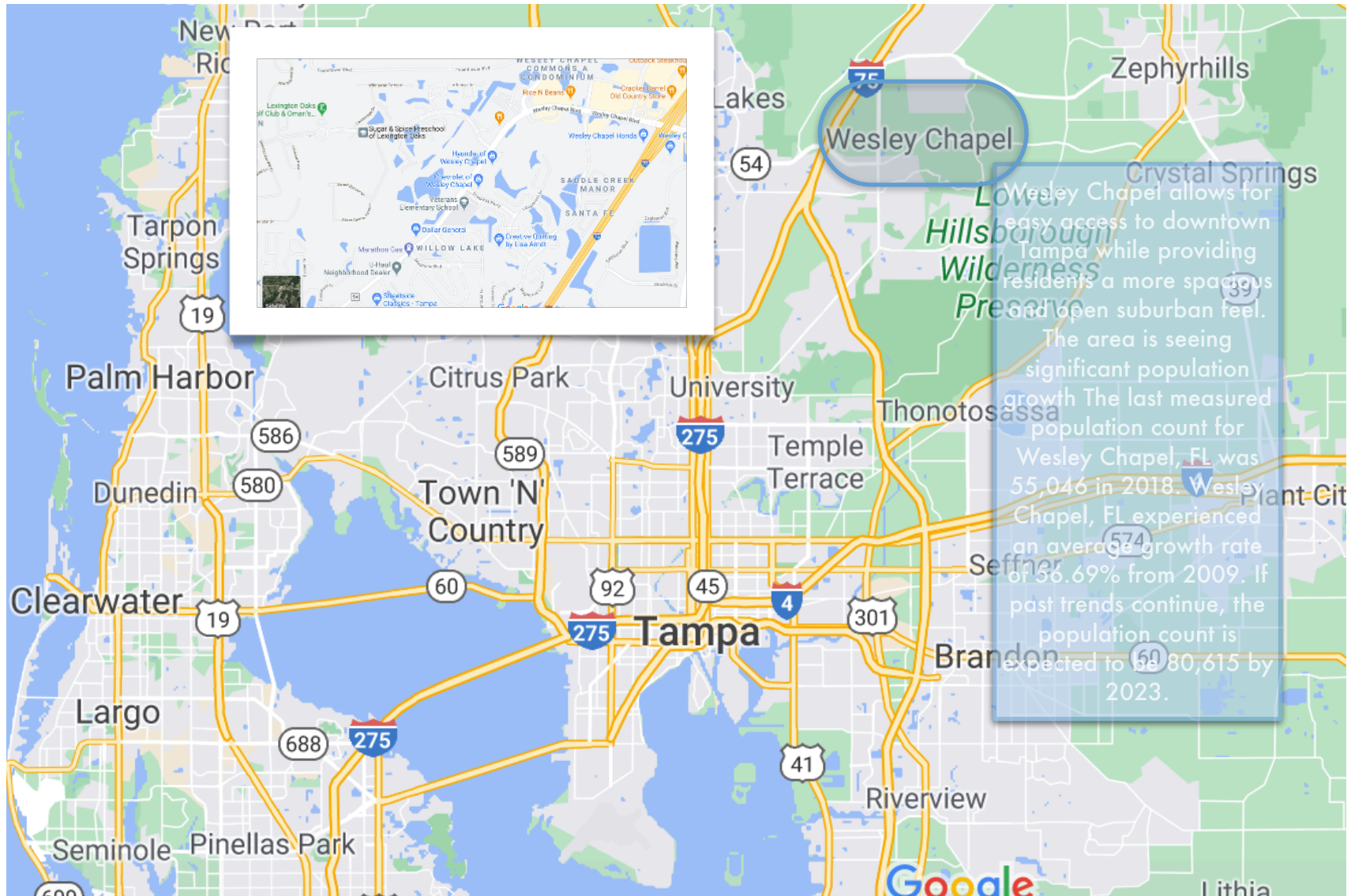
- Renovated units are able to achieve average rent premiums of \$75-\$175 while still maintaining an advantage over new product
- Current Operations expenses are above normal due to high overhead and inefficient management structure.
- Below market occupancy levels have been in place since new ownership took over.
- NOI growth upon repositioning in excess of 20%

Property Name	Address	Year Built	Units	1 BR Avg Sqft.	1 BED	1BR PSF	2 BED	3 BED
Single Family Homes	Misc	NA	SFR	NA	-		\$1,600+	NA
Parc at Wesley Chapel	5561 Post Oak Blvd	2019	248	779	\$1,370	\$ 1.759	\$1,615	\$2,065
Colonial Grand	2042 Arrowgrass Dr	2004	318	782	\$1,363	\$ 1.743	\$1,598	\$1,718
Horizon Wiregrass Ranch	28878 Golden Vista Blvd	2018	392	786	\$1,342	\$ 1.707	\$1,620	\$2,109
The Columns at Cypress	4330 Point Cypress Blvd	2007	294	849	\$1,320	\$ 1.555	\$1,291	\$1,450
Portofino Apartment Homes	8702 New Tampa Blvd	1998	396	843	\$1,250	\$ 1.483	\$1,388	\$1,511
Mezzo of Tampa	15210 Amberly Dr	1992	340	868	\$1,238	\$ 1.426	\$1,489	\$1,705
Enclave	1930 Devonwood Dr	2006	312	742	\$1,227	\$ 1.654	\$1,444	\$1,688
Delano at Cypress Creek	2440 Delano Pl	2006	397	748	\$1,203	\$ 1.608	\$1,376	\$1,981
Sweetwater **	12813 Ware Lane	2006/2015	176	849	\$1,159	\$ 1.365	\$1,334	\$1,439
Lake Carlton Arms	17701 Lake Carlton Dr	1986	1,912	651	\$1,129	\$ 1.734	\$1,340 *	NA
Willow Lake	26675 Players Circle	1986	144	685	\$1,108	\$ 1.618	\$1,316	NA
Livingston Apartments	15420 Livingston Ave	1986	448	796	\$1,060	\$ 1.332	\$1,345	\$1,460

* Only has 1.5 bath

** Best Comp - farther away from Tampa

4. Location: Tampa - Wesley Chapel - Lutz



4. Tidegate: Leadership Bios



Colin P. O'Keefe, MBA **Principal and Founder**

- Over 25 years of real estate experience in property management, asset management, and development
- Asset manager for over 8,000 multifamily units

Mr. O'Keefe has over 25 years real estate experience, primarily in the multifamily housing sector. He currently manages and has ownership interest in multifamily units throughout Massachusetts, Rhode Island, Ohio, and Florida. His background includes asset management, acquisition, development, property management, financing and disposition of multifamily assets. Prior to forming Tidegate, he served at Equity Office Properties, Boston Financial, and Bank of America.

Mr. O'Keefe earned a BA in Economics from the University of Richmond and an MBA from Northeastern University.

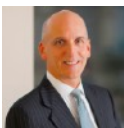


Guy C. Holbrook, IV, CFA® **Principal and Founder**

- 30 years of comprehensive experience investing through major market events and cycles
- Responsible for developing analytical tools for Market Selection Process

Working exclusively in the investment industry since 1987, Mr. Holbrook focuses on portfolio construction, research, and management. He has developed detailed analytical and risk-reduction models to target Tidegate's investment markets. At Columbia Management, his 10-person portfolio team managed over \$30 billion in assets, and he developed a fixed income fund, growing AUM to \$1 billion.

Mr. Holbrook earned a BA in Economics from Colby College and holds the Chartered Financial Analyst (CFA®) designation.



C. Warren Skillman **Partner and Managing Director**

- 26 years of portfolio management and equity analysis experience
- Responsible for modeling acquisition targets

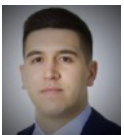
Prior to his role as Managing Director at Tidegate Capital, Mr. Skillman was the lead portfolio manager on the Emerging Markets Value strategy with a focus on fundamental equity research. Warren has been in the investment industry since 1993 and has significant experience analyzing securities and credits through both up and down market cycles.

Warren received a BA from Boston College and an MS in finance from the London School of Business. In his spare time he enjoys mountain biking, skiing and preparing for the Nürburgring.



Jessica Johnson **Senior Property Manager**

Jessica Joined TGC Management in June 2020. Her role is to oversee Tidegate owned properties in the greater Tampa - St Petersburg area with a focus on improving operations and property management. Additionally, she will provide insight regarding best management practices for all Tidegate properties.



Matthew J. Alfonso **Asset Manager**

- Experience acquiring and renovating single family properties
- Assists with acquisition analysis, asset management, and business development

Mr. Alfonso joined Tidegate Capital in November 2019; prior to his role at Tidegate he specialized in residential leasing at Preview Properties Realty Group in Boston. Matthew's previous experience includes working as a summer analyst at Starwood Property Trust, the largest commercial mortgage real investment trust in the United States. During his time there, he worked within the Real Estate Owned (REO) department and helped with the lease-up, management, and disposition of REO assets.

Mr. Alfonso earned a BA in Political Science from Boston University

In addition, Tidegate Capital is guided by the expertise of five advisors, each with extensive experience in business management, start-ups, investments and technology.

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PO Box 283A
457 Washington St.
Duxbury, MA 02331

(781) 285-3502

tgc@tidegatecapital.com

www.tidegatecapital.com